

PROGRAM TO IMPROVE THE QUALITY OF SECONDARY EDUCATION

(PE-0170)

EXECUTIVE SUMMARY

Borrower and guarantor:	Government of Peru	
Executing agency:	Ministry of Education (MED)	
Amount and source:	First phase:	
	IDB: OC	US\$120 million
	Local:	US\$ 80 million
	Total:	US\$200 million
	Second phase:	
	IDB: OC	US\$100 million
	Local:	US\$ 67 million
	Total:	US\$167 million
Financial terms and conditions:	Amortization period:	25 years
	Disbursement period, first phase:	3 years
	Interest rate:	variable
	Inspection and supervision:	1%
	Credit fee:	0.75%
	Currency:	United States dollars under the Single Currency Facility
Objectives:	<p>The objective of the program is to improve the quality of secondary education and to increase the educational system's relevance and linkage to the labor market. Its specific objectives are to: (a) support the implementation of a new curriculum aimed at the development of competencies; (b) bolster student learning by improving educational inputs and instructional approaches in the classroom; (c) strengthen school management; (d) support the first stage of implementation of a new level of education (the <i>bachillerato</i> or high school); and (e) support the development of a pilot plan for professional training under a new framework for institutional management.</p>	

Description:

In view of the complexity and innovative nature of several of the activities included in the program, the Bank will take a multi-phase lending approach. The proposed program was conceived and reviewed as a comprehensive operation that will be implemented in two three-year phases. Each phase will include activities to improve secondary education and strengthen educational institutions. Support for the high school implementation and pilot professional training center projects will be limited to the first stage of the program, since they will have to undergo the necessary impact and performance evaluations before the scope and features of their eventual expansion can be determined. Once 75 percent of the loan proceeds have been disbursed and the agreed-upon goals have been met (see Annex II-1), the second loan for US\$100 million will be processed.

The program is consistent with the changes being made in basic education at the preschool and primary levels, addressing the main problems that adversely affect the quality of secondary education, such as its weak connection to higher education and the labor market.

At the secondary education level, improvements in quality will be supported by combining the provision of inputs with innovations in teaching methods. Although investments in inputs and instructional approaches are essential to improve the quality of education, they must be supplemented by other measures that will encourage more independent school management. Consequently, the program will provide incentives for innovative designs for management, teaching methods, and curricula. This approach is consistent with the increase in curricular autonomy that will be granted to educational institutions and with governmental plans to decentralize education. In addition, the system of academic achievement assessment will be strengthened.

The first phase of implementing the high school level will be supported as a means of linking graduates of the basic education system with higher education and the labor market. In addition, the newly-created high school level will provide considerable latitude for a diverse supply of both public and private schools and for experimentation with various types of organization and administration. This will encourage the adoption of innovations such as the use of university professors specializing in the various disciplines to be taught and incentive programs that link teacher performance to student achievement.

With regard to vocational training, support will be provided for a pilot program that includes innovative models for school management that link schools with the business community, new financing and resource-allocation arrangements, new ways of recruiting, hiring, and

compensating teachers, and implementation of an accreditation system for providers of such new models.

In accordance with this strategy, the program consists of four components:

Institutional strengthening (US\$11 million). This includes: (a) the strengthening of the MED line divisions that will implement the program components; (b) public information and dissemination of the program; (c) the analysis and evaluation system; and (d) program administration.

Improving the quality of secondary education (the last four years of basic education) (US\$126.4 million). This includes: the provision of textbooks, teaching materials, and equipment in order to increase the quantity and quality of educational inputs and support the process of curricular reform; teacher training in more participatory learning and administrator training in more autonomous school management; repair, replacement, and/or expansion of infrastructure, with the necessary outfitting and furnishings; introduction of incentives for innovation in secondary schools, in both school management and teaching methods; use of new information technologies, both through expansion of the current educational networks project (EDURED) and experimentation with the International Network of Virtual Schools (IVEN) project; and improvements in the system for assessing academic achievement.

First phase of high school implementation (US\$32.3 million). This includes: the provision of teaching materials to help develop the skills and competencies to be taught at this level of education; the training of teachers and coordinators both in the use of new teaching methods and techniques and new curricula; a system for evaluating the high school level and establishing a national examination; the provision of equipment; and the repair, replacement, and/or expansion of infrastructure, including the necessary furnishings.

Pilot vocational training program (US\$6.8 million). This includes: the development of innovations in institutional management with the participation of the private sector and the creation of a new regulatory framework for the selection, hiring, compensation, and work of teachers; implementation of an accreditation system for vocational training providers; teacher training; the provision of materials and basic equipment for the pilot training centers; and adjustment of physical infrastructure.

The Bank's country and sector strategy:

The proposed activities are consistent with the Bank's strategy for the social sectors, which promotes higher quality, more relevant education with greater efficiency. The program is also in accord with the Bank's strategy in Peru, which is to promote investment in education as a means of reducing poverty and improving equity and income distribution.

Environmental and social review:

The environmental impact of the program will be minimal; as a result, a social and environmental impact report will not be required. The construction work will consist primarily of repairing existing schools, and all the necessary measures will be taken to prevent or mitigate any adverse impact on the environment, following the respective guidelines prepared by the National Compensation and Development Fund (FONCODES). During the repairs, precautions will be taken in order to avoid the interruption of school activities. The operation's environmental brief was submitted to, and approved by, CESI at its meeting of July 16, 1999. No additional studies were required. From the social point of view, the program will increase the retention rate at the secondary level, which will have a positive effect on the poorest students, who constitute the majority of dropouts. Furthermore, instruction aimed at the development of competencies should increase the potential productivity of graduates from secondary school, high school, and the pilot vocational training centers.

Benefits:

Impact on learning. The introduction of new curricula, school flexibility to adapt a portion of the curricula to local and regional needs, and the combined effect of educational inputs and new teaching methods will all contribute to improving the quality of instruction. In addition, higher quality education will raise the retention rate at the secondary level and reduce the repeater rate.

Impact on school management. Through a competitive fund for innovative teaching and management projects, a pilot incentive program will be launched to motivate the participating schools to redefine their educational mission and to improve school management and teaching methods to achieve it. In both high schools and the pilot vocational training centers, new organizational methods and teacher hiring practices will be used, transforming their profiles, and the participation of the private sector will be increased.

Impact on preparedness for post-secondary education or the labor market. The relevance of what students learn in secondary school, high school, and vocational school will be improved. This will have the beneficial effect of producing individuals who are better prepared and better skilled to become productive members of the workforce.

Economic and social impact. The program activities will: improve the efficiency of secondary education by reducing the dropout and repeater rates; improve the population's level of education, which is associated with increased future income; and better prepare students for entry into the labor market through the development of competencies. This in turn will have a significant social impact, given that the problems of high repeater and dropout rates, and low levels of education mainly occur among students from lower socioeconomic brackets. In addition, the high school level will lead to greater equity among students who choose to enter university.

Risks:

Weakness in certain executing units. The demands of the program may exceed the capacity of certain units responsible for implementing the program's various components. In order to mitigate this risk, the capacity of those units will be strengthened through technical assistance, training, and the design of computer programs and equipment. This support will make it possible to efficiently implement the program activities.

Inconsistent readiness to compete for competitive funds. There is a possible risk of unequal competition among schools in project design, since some may have greater capabilities than others. In order to ensure equal opportunity in this area, the teachers and administrators of all training centers will receive specific training in project design and preparation as part of the training activities.

Changes associated with the high school level. Implementation of the high school level will coincide with the election of a new administration, which may wish to make changes in the conceptualization and scope of this new level of education. This challenge will be addressed through gradual phase-in of the new high school level, with monitoring of its impact and results on an ongoing basis. These measures will be supported by a consensus-building process in civil society, including a public information campaign.

Vocational training centers lacking the capacity to establish links with the private sector. There is the risk that the participating schools may lack the capacity and the flexibility to establish links with the private sector. This risk will be addressed by beginning with the pilot training centers that already have links with the private sector and have expressed greater interest in adopting new methods of teacher recruitment. An evaluation of the impact and results of these pilot experiences will provide information about future vocational training activities. In addition, a public information campaign will be undertaken about the changes that will take place in vocational education, similar to the activities to be carried out for the secondary and high school levels.

Special contractual conditions:**Prior to the first disbursement:**

- a. Evidence must be submitted that the Program Coordinating Unit, established under Emergency Decree No. 94-94 and amended by Emergency Decree No. 011-97, has been designated in the Ministry of Education for the purpose of implementing the program activities (see paragraph 3.2).
- b. Evidence must be submitted that the Operating Regulations of the program have taken effect (see paragraph 3.18).
- c. Evidence must be submitted that an agreement has been signed between the MED and the Institute of Educational and Health Infrastructure (INFES) for implementation of the infrastructure and furnishings component (see paragraph 3.12).

Poverty-targeting and social sector classification:

This operation qualifies as a project that promotes social equity, as specified in the key objectives of the Bank's activities described in the report on the Eighth General Increase in Resources (document AB-1704).

Exceptions to Bank policy:

None.

Procurement:

The procurement of goods and the awarding of contracts for construction work and consulting services will be carried out in accordance with the policies of the Bank. International competitive bidding will be required for the procurement of goods and the awarding of contracts for related services in amounts above US\$350,000 and for construction contracts in amounts above US\$3 million. Ex post reviews will be conducted for the awarding of construction contracts for less than US\$300,000, the hiring of consulting firms for less than US\$50,000, and the hiring of individual consultants for less than US\$10,000.